

that that debt costs us, as taxpayers, \$1 billion a day. They net it out, because we earn interest as taxpayers, and state it is only \$600 million. But the debt itself costs us about \$350 billion a year.

The businesspeople and families I speak to in Illinois have the same response that the Senator from Ohio has spoken to on the floor: What are you going to do to get rid of this debt so our children are not burdened with these interest payments? We are really trying to square away the books from the last 20 years.

What the Senator from Ohio said on the floor, I think, is a very wise course of action. That should be our highest priority: reducing the debt and keeping our obligations to Social Security and Medicare.

I do not want to put words in the mouth of the Senator from Ohio, but my fear is those who anticipate surpluses that may not materialize could put us on a bad track. We could be headed back toward deficits, toward red ink, and toward an economy we do not want to see.

The same business people I speak to say, there may come a time, if we have a recession, when a tax cut is the right medicine because it would give the American families more money to spend and bring us out of a recession. But certainly we are not in those days now.

We have a strong economy, a vibrant economy; and, if anything, the fear is it may overheat with too much demand. If that happens, the Federal Reserve Board steps in and raises interest rates, which penalizes every family with an adjustable mortgage and business people who are trying to keep and expand their business.

The Senator from Ohio has really laid the basis for a sensible bipartisan approach. I hope we can work together, as we have in the past. I have admired his independence and the fact that he has been very forthright in his views. I listened carefully to what he said during the course of his statement. I think it really provides a common ground for a bipartisan approach that really is good for the economy and good for future generations.

As I see the Senator from Louisiana is prepared to speak, I yield back the remainder of my time.

Ms. LANDRIEU addressed the Chair. The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I commend the Senator from Ohio for his remarks about the importance of our Social Security surplus and preserving it so we can invest and strengthen something the American people and the American families have come to rely on and to appreciate. It is actually something that sets us apart from many nations in the world, that we actually have a safety net that works for older Ameri-

cans—to honor the fact that they have worked hard through their lives, sometimes at minimum wage jobs, for 30 and 40 and 50 years.

We say, as Americans, if you are president of a corporation or if you are an owner of a small business, or even if you are a minimum wage laborer, we want to have a retirement system that keeps you out of poverty when you are simply at an age where you cannot work and increase your income.

So it is important to us. It is a value. It is something more than just a program. It is something more than just a Government program or an initiative. It is a value of America. I think both sides of the aisle recognize that.

Although there are some differences in the way we would approach the specific lockbox notion, we have made great strides in recognizing that \$2 trillion of this \$3 trillion surplus needs to be set aside for Social Security. It is important for our Nation. Most certainly, it is important to people from Louisiana. I commend him and also commend the Senator from Illinois for underlining some of those points.

TAX CUTS

Ms. LANDRIEU. I come to the floor today to talk about another particular aspect of fiscal responsibility that is so important. We are in the middle of one of the most important debates of this Congress that may have repercussions for the next generation or two, an opportunity that we haven't really had since 1981 when there was a huge tax cut, and, many of us think, an irresponsible tax cut given at that time that drove our deficits tremendously upward and raised the debt of this Nation.

We are now in the process of debating what to do with our great fortune, a real surplus in non-Social Security revenues. We know what we want to do with the Social Security surplus, and that is to set it aside to strengthen this program because it is a value that Americans share. What do we do with the non-Social Security surplus?

I am one of the Members on this side who hope we can find some measure of tax relief for hard-working, middle-income, low-income Americans, to do it in a way that helps to close the gap in this country between the haves and the have-nots, that helps our children in the next generation to become part of this new economy. I hope we can fashion some smaller, responsible, well-thought-through, and careful tax relief for low-income and middle-income families that will help them, their children, and their grandchildren to participate in perhaps the greatest economic boom to ever happen in the history of the world, not just in this Nation, not just in this democracy, not just in this century, but an economic prosperity that is unprecedented in the history of many nations.

What we want to do if we are going to have a tax cut—and I certainly support one that is responsible and along responsible fiscal lines—is to craft it in such a way that it helps to give our children and our grandchildren the opportunity to participate by improving their skills, by improving their opportunity to create their own businesses, by creating perhaps opportunities for them to participate in this new economy.

One of the things that is very important to our generation and to the generations to come is reflected in a new poll that was just released this week by Frank Luntz, commissioned by the Nature Conservancy, about fiscal responsibility. It is also about the Department of Interior, the appropriations bill we are going to be discussing for that Department also this week.

One of the important issues is how we might reallocate surpluses in our continued quest for fiscal responsibility in this Nation, how to direct some of the revenues coming into the Federal Treasury. A great source of revenue that has been coming into the Federal Treasury over the last 50 years at about \$4 billion a year—sometimes more, sometimes less—for a total of \$120 billion since 1955 has been money from offshore oil and gas revenues. That money, from the Outer Continental Shelf of the United States, primarily off the shores of Louisiana, contributed to a great deal by Mississippi, Texas, and Alaska, the producing States, has gone in the Federal Treasury and has been used basically for general operating funds.

I and many of my colleagues on this and the other side of the aisle, a bipartisan coalition, think now is the time, as we debate what to do with these surpluses, as we debate how to reallocate some of these revenues, as we debate what are the proper investments to make in the next century regarding tax reductions and investments in education, to talk about making a strong, permanent commitment to our environment.

As the poll results I am going to submit for the RECORD this afternoon indicate, by a wide majority, Republicans and Democrats, young and old, people who live on the east coast and the west coast, people who live in the flat plains and in the mountains overwhelmingly support a real trust fund and a real commitment to preserve parks, recreation areas, open spaces, and wildlife in this Nation.

That is what one of the bills, S. 25, which has been moving through this process both in the House and the Senate, will do. It would make permanent a source of funding from Outer Continental Shelf revenues within the framework of a balanced budget, in a very fiscally conservative way, by using these revenues that are coming from a nonrenewable resource.

One day these oil and gas wells are going to dry up. I spent my time and energy trying to take some of these tax dollars that are already being paid to invest in something that will last for generations to come, something the American people want to pay for, something the American people believe in; that is, creating open spaces for parks and recreation.

I will submit this polling information for the RECORD. I rise to speak for a few minutes about the importance of fiscal responsibility, about a tax cut that could be meaningful, if it is done correctly, and about the potential of using some of these dollars—not raise dollars but redirect some of our dollars into a program that is so important to the American people—full funding for land and water conservation, funding for needs of coastal cities and coastal communities, and also wildlife conservation programs throughout the Nation.

I thank the Chair and yield back the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TORRICELLI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I ask unanimous consent to address the Senate as in morning business for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TORRICELLI. I thank the Chair.

ALLOCATION OF RESOURCES

Mr. TORRICELLI. Mr. President, by any measure, this is an extraordinary time in the life of our country. It appears that as the American century comes to a conclusion, the chances are good that what the world is going to witness is simply another American century, where our dominance may be exercised by different technologies, our power may be measured by different means, but our dominance is just as certain.

The quality of life in America is rising to new heights. Our economic strength could be measured by many means, but it is considerable. Home ownership is now at the highest rate in the Nation's history. In 6 years the United States has created 18 million new jobs, more than all of Western Europe and Japan combined. Unemployment is near record lows in the postwar period—genuinely an extraordinary time. Nothing surprises Americans more than that we are witnessing not simply the growth of an economy, employment and economic opportunities, but the Federal Government itself is participating in this extraordinary transformation.

The United States is about to accumulate in our Government budget not only the largest surplus in American

history but the largest surplus in the history of any nation in any government budget. Indeed, it is now projected to be \$1 trillion larger than was anticipated only several years ago. By the year 2009, the total accumulated surplus of the U.S. Government could be an astonishing \$2.9 trillion.

The fundamental question now before this Government as we begin to plan for the next decade, the beginning of a new century, is how to allocate these resources.

The U.S. Government is in a new experience. For more than 50 years we have been in the business of allocating pain. The dominating issues before the U.S. Government were winning the cold war and overcoming the budget deficit. All decisions were seen through these twin prisms. Many of our hopes and ambitions for our country and our people needed to be postponed.

In 1993, the Deficit Reduction Act was a defining moment in that struggle. This Congress, with the Clinton administration's leadership, was facing deficits as high as \$300 or \$400 billion per year. It was artificially raising interest rates, causing problems with private investment, and difficulties in economic growth.

The extraordinary vote of that year, passing each institution of the Congress by a single vote, did as much to change American economic history as any single act of the 20th century.

(Mr. CRAPO assumed the chair.)

Mr. TORRICELLI. For all of us who participated in the 1993 Deficit Reduction Act, it is probably the singular achievement and the greatest source of pride in our careers. For the American people, it is more than a source of pride; it is a source of new freedom. These surpluses allow us to dream again about rebuilding schools, providing child care, improving the quality of instruction, repairing American infrastructure, funding higher education. Things that were postponed by all these years of debt, struggle, and sacrifice have been made possible again.

But it is important to remember in this transformation, in these last 6 years, there are other heroes, too, more important than the Members of Congress who cast these votes—the people who gave up more and did more to create this new American prosperity. They are simple American families who did without Government programs, Government employees who saw Federal employment decline, people who suffered as declines in Government spending in all measures, and American taxpayers who paid more in Federal taxes to reduce the debt.

It is important to remember because, as we think about the opportunities for education and health care and other Government programs this Federal surplus provides, so, too, is the American taxpayer to be remembered. I do not

quarrel with the administration—indeed, I support their notion—that the first obligation in committing these new surplus funds is to protect Medicare and Social Security. It is our first obligation. It is not our only obligation.

Of the approximately \$3 trillion of Federal surpluses to be allocated in the next 10 years, \$2 billion of it will be required to ensure that Social Security and Medicare are protected. But certainly, with the remaining \$1 trillion in accumulated surpluses over the next decade, there is the ability in this Congress to provide some tax relief for working American families. The tax burden of the United States is now the highest since the Second World War.

Middle-class families, who were once in low-income brackets, through prosperity and inflation, have seen themselves, while still facing the enormous costs of education and housing and the requirements of an ordinary American life, facing tax brackets of 28 and 33 percent. Today, a family of four, living on a combined income of \$72,000, which can be the simple income of a schoolteacher or a police officer or a public servant, is taxed at 28 percent, instead of the 15 percent which should, and once did, represent the Federal tax rate of middle-class Americans.

It is wrong—it is even unconscionable—to ask a young mother and father trying to raise children, with the high cost of living in the United States, to postpone educational decisions or housing decisions, the requirements of building a family, to pay a 28-percent tax on a combined family income of \$50,000, \$60,000 or \$70,000. It is not right. But mostly, with a Federal surplus of \$1 trillion in the next decade, after protecting Social Security and Medicare, it is not necessary.

I believe the first obligation of a Federal tax relief is to expand the 15-percent bracket to genuinely include Americans who are in the middle class, to place them in the tax bracket where they belong. The Roth plan participates in this strategy by expanding the bracket and by lowering the 15-percent bracket to 14 percent. It is a good beginning, but it is not a complete plan.

The other twin tax crisis in America is not high rates but disincentives for savings which are causing a crisis in savings in America. The national savings rate in the United States is now the lowest since the Second World War. In May, our national savings rate was a minus 1.2 percent—a negative rate of savings not seen since the Great Depression. It has no corollary in the Western World, and it is a long-term, economic, Governmental and social problem.

Sixty percent of all Americans who retire rely solely on Social Security. More than 50 percent of Americans effectively have no net worth of any appreciable value, other than their home.